



**NEVADA SITE OFFICE**

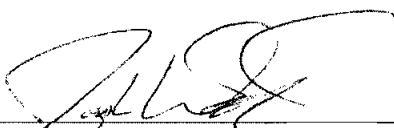
**CONTRACT MANAGEMENT PLAN**

**for**

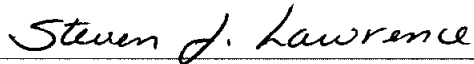
**CONTRACT NO. DE-AC52-06NA25946**

**with**

**NATIONAL SECURITY TECHNOLOGIES, LLC**

  
\_\_\_\_\_  
Joseph F. Waddell  
NA-63 Head of Contracting Activity

12-18-2008  
Date

*for*   
\_\_\_\_\_  
Stephen A. Mellington, Manager  
Nevada Site Office

12.18.08  
Date

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**ABBREVIATIONS AND ACRONYMS**

AM – Assistant Manager	HCA – Head of Contracting Activity
AMBCM – Assistant Manager for Business & Contract Management	HQ – NNSA Headquarters
AMEM – Assistant Manager for Environmental Management	ISM – Integrated Safety Management
AMNS – Assistant Manager for National Security	ISMS – Integrated Safety Management System
AMSO – Assistant Manager for Safety & Operations	M&O – Management and Operating (Contract)
AMSS – Assistant Manager for Safeguards and Security	MOA – Memorandum of Agreement
CAP – Corrective Action Plan	NNSA – National Nuclear Security Administration
CAS – Contractor Assurance System	NSO – Nevada Site Office
CMP – Contract Management Plan	NTS – Nevada Test Site
CO – Contracting Officer	PBI – Performance Based Incentive
COR – Contracting Officer’s Representative	PEP – Performance Evaluation Plan
CPAF – Cost Plus Award Fee	PMB – Performance Measurement Baseline
D&D – Decontamination and Decommission	PO – Performance Objective
DEAR – Department of Energy Acquisition Regulation	PPBE – Planning, Programming, Budgeting and Evaluation
DNFSB – Defense Nuclear Facilities Safety Board	SDRD– Site-Directed Research and Development
DoD – Department of Defense	SME – Subject Matter Expert
DOE – Department of Energy	SOW – Statement of Work
DM – Deputy Manager	WA – Work Authorization
DP – Defense Programs	WBS – Work Breakdown Structure
DSW – Directed Stockpile Work	
ES&H – Environment, Safety and Health	
EVMS – Earned Value Management System	
FAR – Federal Acquisition Regulation	
FDO – Fee Determination Official	
FR – Facility Representative	

## 1.0 INTRODUCTION

The National Nuclear Security Administration (NNSA), established by Congress in 2000, is a semi-autonomous agency within the Department of Energy (DOE) responsible for enhancing national security through the military application of nuclear energy. NNSA maintains and enhances the safety, security, reliability and performance of the U.S. nuclear weapons stockpile without nuclear testing; works to reduce global danger from weapons of mass destruction; provides the U.S. Navy with safe and effective nuclear propulsion; and responds to nuclear and radiological emergencies in the U.S. and abroad. The Nevada Test Site (NTS) and its satellite locations is one of eight sites making up the Nuclear Weapons Complex (NWC).

In achieving its responsibilities, NNSA has authorized the Nevada Site Office (NSO) to provide operational oversight and administration of the Management and Operating (M&O) Contractor for the NTS. The NSO serves as the risk acceptance agent for the NNSA and is responsible for ensuring the safe and secure operations of the NNSA mission at the NTS. Support is provided to NSO by NNSA Headquarters and the NNSA Service Center.

The NTS is a unique expanse of Federally-controlled land and facilities in a remote region of southern Nevada. The approximately 1,375 square miles that make up the NTS are surrounded by the U.S. Air Force Nellis Test and Training Range and unpopulated land controlled by the Bureau of Land Management.

The biological, geological, hydrological, meteorological, and radiological environments are well characterized. The *Final Environmental Impact Statement for the Nevada Test Site and Off-Site Locations in the State of Nevada* and the associated Record of Decision allow for the execution of a variety of complex and unique projects and experiments while ensuring the protection of the public and the environment.

The NTS represents the United States' unique capability to support nuclear testing and complex dynamic experiments that involve Special Nuclear Materials or hazardous materials. These experiments, relying on integrated support from the Contractor, are conducted by the Nuclear Weapons Laboratories in support of the Stockpile Stewardship Program.

It is the duty of the NSO to be fiscally and managerially responsible in the administration of the M&O contract. Protection of the health and safety of the federal, M&O Contractor, laboratory and other contract employees; the public; and the environment shall be paramount in all actions taken by NSO and required of its contractor. The Contract document and all attachments govern the relationship between NNSA and NSTec and take precedence over this Contract Management Plan (CMP). The NSO

Assistant Manager for Business & Contract Management (AMBCM), in conjunction with NSTec Prime Contracts Department personnel, shall maintain configuration control of this document.

The CMP provides overall guidance to employees involved with the oversight of the M&O contract. The CMP is a flexible contract administration tool and will be updated as changes occur in the contract oversight process.

## **2.0 PURPOSE/APPLICABILITY/UPDATES & DISTRIBUTION**

2.1 The CMP provides contract administration and performance oversight guidance to NSO, federal agencies and National Laboratory employees involved with the direction, oversight, and evaluation of the NSO M&O Contract. The CMP (1) defines the contract administration process and various sub-processes, and their integration to assure that the terms of the contract are met by the contractor and NNSA; (2) summarizes in a single document how contract oversight responsibilities will be conducted; and (3) provides overall guidance to employees involved in the oversight of the NSTec contract. The CMP does **NOT** identify every action that the government or contractor must complete or perform, but rather sets forth the higher level contract requirements, deliverables, and performance activities. The CMP references other contract oversight tools that have been or will be implemented such as the Line Oversight Plan and the Contractor Assurance System, Site Office Functions, Responsibilities, and Authorities Manuals, Prime Contract Clauses, and the annual Performance Evaluation Plan (PEP).

Administration and oversight of the M&O contractor is based on the (1) terms and conditions of the contract, (2) Federal Acquisition Regulation (FAR), (3) Department of Energy Acquisition Regulation (DEAR), (4) NNSA procurement directives and (5) other applicable laws, rules, and regulations.

A key component of effective contract management under the CMP is the use of a team approach of NNSA/HQ, Site Office staff and M&O Contractor staff focused on the common goal of successful contract performance. The principles and concepts of contract assurance requirements are incorporated into the CMP.

This document will accomplish the following:

- Provide a high level overview in how the Contract is to be administered.
- Summarize the purpose, scope, features, and requirements of the Contract.

- Define the roles and responsibilities of the organizations involved in the administration of the Contract.
- Discuss the contracting authorities, delegations, and limitations of authorities.
- Identify how work is assigned or authorized.
- Outline the contract management process including planning, execution, evaluation, fee determination, and improvement

The CMP is developed in conjunction with the LOCAS process. Since the CMP and the LOCAS drive the mode of operation at the NNSA Site Office, the following figure depicts the relational hierarchy between the systems.

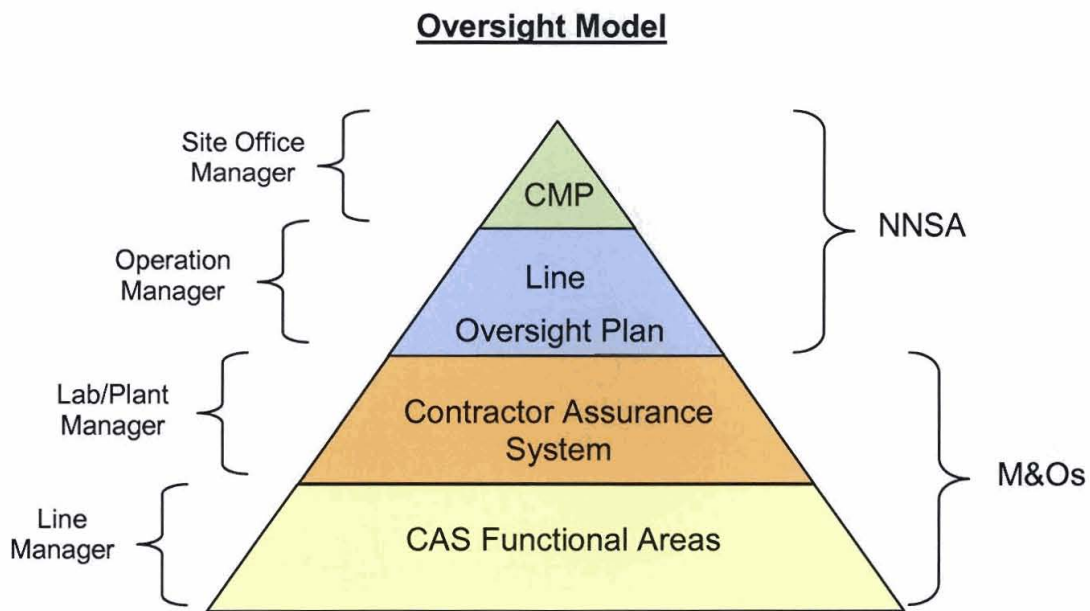


Figure  
Graphically demonstrates the hierarchy and responsibilities associated with CMP/LOCAS process.

## 2.1 Applicability

This CMP is applicable to the management and administration of Contract Number DE-AC52-06NA25946, an M&O contract with National Security Technologies, LLC (NSTec).

## 2.2 Updates and Distribution

The NSO CO has responsibility for updating the CMP ([hyperlink](#)) and will revise the plan periodically as needed based on contract modifications or other contract administration changes.

### 3.0 CONTRACT SUMMARY AND PRINCIPAL FEATURES

NNSA enters into contracts as a means of accomplishing its missions. NNSA defines the work to be accomplished, provides the means for accomplishing the work (i.e., facilities and funding), and evaluates contractor performance. The NNSA NSO provides on-site performance oversight of those tasks or actions necessary to complete the government's contract requirements. NSO is also responsible for approving annual work scope direction and budgets.

- 3.1 **Contractor:** National Security Technologies, LLC.
- 3.2 **Contract Number:** DE-AC52-06NA25946
- 3.3 **Period of Performance:** July 1, 2006 through September 30, 2011.
- 3.4 **Contract Term:** The contract was effective July 1, 2006, and contains an award-term provision that could effectively extend the contract through September 30, 2016. There was a prior no-cost transition period from April 1, 2006, through June 30, 2006.
- 3.5 **Contract Type:** Cost-Plus-Award-Fee (CPAF) Management and Operating (M&O) Contract with performance-based management provisions.
- 3.6 **Performance-Based Contracting:** NSO implements performance-based contracting principles through processes associated with strategic planning, budget formulation, budget execution, and performance evaluation.

NSO utilizes performance fee to incentivize and reward NSTec for performance. Fee consists of two components: an incentive fee which provides management focus and emphasis on NSO's critical performance measures, and an award fee that focuses on all other aspects of NSTec's performance such as overall management acumen, customer service, and problem solving.

A Performance Evaluation Plan (PEP) is developed for each fiscal year. A formal change control process is used to incorporate changes throughout the year. The PEP includes both incentive fee criteria and award fee criteria.

- 3.7 **Contract Structure:** The following outline illustrates the structure of the NSO M&O Contract. [\(hyperlink\)](#) The Contract is divided by sections. When the Contract is updated through a Contract Modification, each Modification is assigned a sequential number preceded by an "A" or "M" such as A003 (meaning Modification number 3).



- SECTION A Solicitation/Contract Form
- SECTION B Supplies or Services and Prices/Costs
- SECTION C Description/Work Statement
- SECTION D Packaging and Marking
- SECTION E Inspection and Acceptance
- SECTION F Deliveries or Performance
- SECTION G Contract Administration Data
- SECTION H Special Contract Requirements
- SECTION I Contract Clauses
- SECTION J List of Attachments
  - APPENDIX A – PERSONNEL APPENDIX
  - APPENDIX B – SUBCONTRACTING PLAN
  - APPENDIX C – LIST OF APPLICABLE LAWS, REGULATIONS AND DOE DIRECTIVES
  - APPENDIX D – CORPORATE PARENT PROMISES AND COMMITMENTS
  - APPENDIX E -- RESERVED
  - APPENDIX F – KEY PERSONNEL
  - APPENDIX G – CONTRACTOR’S TRANSITION PLAN
  - APPENDIX H – SPECIAL FINANCIAL INSTITUTION AGREEMENT FOR USE WITH THE PAYMENTS CLEARED FINANCING AGREEMENTS
  - APPENDIX I – DIVERSITY PLAN
  - APPENDIX J – PARENT ORGANIZATION OVERSIGHT PLAN

### **3.8 Contract Scope:**

The Statement of Work (SOW) is broad and encompassing in order to reflect all necessary operational functions, as well as management functions necessary to perform the missions assigned to the NSO. The basic purpose of this Contract is to provide support and infrastructure for experiments and activities at the NTS and satellite facilities. The Contractor shall be responsible for a wide range of activities (as elaborated below) in support of DOE/NNSA missions that include the following: nuclear explosives operations; remote field experiments and operations; physical and environmental science; nuclear waste management systems and technology; design and fabrication of electronic, mechanical, and structural systems; remote and robotic sensing; management of multi-laboratory facilities, mining, engineering, and construction operations; chemical, explosives, and hazardous materials systems and technologies; and waste management for various categories of waste (including, but not limited to, sewage/septic, solid waste, hazardous waste, low-level radioactive waste, low-level mixed waste, and transuranic and mixed transuranic waste). The Contractor shall be responsible for a wide-range of facilities, laboratories, and equipment that support the custom design,

construction, and fielding of experimental systems ranging from small electronic and remote sensing packages to fielding complex systems in hostile environments for use anywhere in the world.

The Contractor may also perform work for non-DOE activities which is consistent with and complementary to NNSA's mission, involving the use of contract equipment, facilities, or personnel. Such proposed work is called Work-for- Others (WFO) and may be performed for other Federal agencies or non-Federal entities subject to the prior written approval of the Contracting Officer. Primary considerations in approving WFO projects are that the proposed work will not place the contractor in direct competition with domestic non-Federal entities; will not adversely impact execution of the contractor's assigned programs; and will not create a potentially detrimental future burden on the commitment of NNSA resources.

The following is an outline of the Statement of Work for the M&O contract.

- 1.0 General
- 2.0 Nevada Test Site and Satellite Facilities Mission
- 3.0 Programmatic Activities
  - 3.1 Defense Experimentation and Stockpile Stewardship
  - 3.2 Emergency Response and Nonproliferation
  - 3.3 Environmental Management
  - 3.4 Other DOE and Non-DOE Support
- 4.0 Operations, Facilities, and Infrastructure Support
  - 4.1 Integrated Safety Management (ISM) System
  - 4.2 Safeguards and Security Management
  - 4.3 Nuclear Operations
  - 4.4 Engineering, Design, and Construction
    - 4.4.1 Facility Operations and Infrastructure
      - 4.4.1.1 Project Management
      - 4.4.1.2 Engineering and Scientific Services
      - 4.4.1.3 Construction
    - 4.4.2 Infrastructure and Asset Maintenance and Mgmt
  - 4.4.3 Conduct of Operations
  - 4.4.4 NTS Operations
    - 4.4.4.1 Stewardship of the NTS
    - 4.4.4.2 Medical Services
    - 4.4.4.3 NTS Emergency Fire and Rescue Response Services
    - 4.4.4.4 Site Operations
    - 4.4.4.5 Emergency Management Operations
- 5.0 Business and Administrative Management

- 5.1 Financial Management
  - 5.2 Purchasing Management
  - 5.3 Personal Property Management
  - 5.4 Information Technology Management
  - 5.5 Audits and Assessments
  - 5.6 Communications and Public Affairs
  - 5.7 Community Relations
  - 5.8 Human Resources Management
  - 5.9 Labor Relations
  - 5.10 Legal
  - 5.11 Real Property Management
  - 5.12 Strategic Planning
  - 5.13 Training
  - 5.14 Other Administrative Services
- 
- 6.0 Potential Mission Expansion Areas
  - 7.0 Reports and Other Deliverables

#### **4.0 ORGANIZATIONAL ROLES AND CONTRACT OVERSIGHT RESPONSIBILITIES**

- 4.1 National Nuclear Security Administration:** NNSA is a semi-autonomous agency within the DOE responsible for enhancing national security through the military application of nuclear energy. NNSA maintains and enhances the safety, security, reliability and performance of the U.S. nuclear weapons stockpile without nuclear testing; works to reduce global danger from weapons of mass destruction; provides the U.S. Navy with safe and effective nuclear propulsion; and responds to nuclear and radiological emergencies in the U.S. and abroad.

The NNSA is comprised of three Deputy Administrator organizations: NNSA Program Office (formerly known as Defense Programs), Nonproliferation (NN), and Naval Reactors. NNSA discharges its responsibilities for national security, in part, through the conduct of activities in a number of scientific and technical areas at highly specialized production and research facilities owned by the U.S. and managed and operated by contractors. The NSO is one of eight sites making up the NWC and primarily supports the NNSA Program Office and NN. See NNSA organizational charts ([hyperlink](#)).

- 4.2 Nevada Site Office (NSO):** The NSO provides management and direct oversight of contractor operations through on-site monitoring and

surveillance of contractor operations. Under the cognizance of the NSO Manager, the Site Office is the primary focal point for inspection of products, services, or reports under the Contract as authorized by the NNSA Administrator. The CO or other functional experts have the authority or responsibility to review and approval of certain documents. NSO manages and administers the Contract for programmatic and administrative performance. NSO monitors, evaluates, and reports on the contractor's performance and ensures ES&H compliance; security of information and assets; protection of the public and employees; and maintains an emergency response capability. The NSO serves as the focal point for disseminating guidance and contract requirements to the contractor. The NSO Manager acts as spokesperson at the site and coordinates with stakeholders and site-specific advisory boards.

**4.3 Roles & Responsibilities:** The following table summarizes the roles and responsibilities for the individuals and groups involved in the administration of this Contract.

ROLES	RESPONSIBILITIES
NNSA Administrator	<ul style="list-style-type: none"> <li>• Serves as the Administrator for NNSA.</li> <li>• Has authority over, and is responsible for, all programs and activities of the Administration (except for the functions of the Deputy Administrator for Naval Reactors)</li> <li>• Executes responsibilities pursuant to the Atomic Energy Act of 1954, as amended (42 U.S.C. §§ 2011, et seq.), the DOE Organization Act, as amended (42 U.S.C. §§ 7101, et seq.), Public Law 106-65 (50 U.S.C. §§ 2401, et seq.), and other applicable laws.</li> </ul>
NNSA Program Offices	<ul style="list-style-type: none"> <li>• Provides high-level guidance</li> <li>• Sets requirements</li> <li>• Defines policy and corporate processes</li> <li>• Integrates overall program plans</li> <li>• Develops and defends corporate budgets</li> <li>• Assists the field in evaluating contractors</li> <li>• Evaluates field oversight programs</li> <li>• Works with other governmental customers and stakeholders</li> </ul>

<p>Site Manager</p>	<ul style="list-style-type: none"> <li>• Coordinates the development, and performs assessments, as assigned, of programmatic operational and administrative activities for the annual performance assessments and communicates results to site contractor management.</li> <li>• Serves as the integrator of site-wide guidance and direction provided to M&amp;O contractor. Provides advice, assistance, and any needed supplemental site-specific guidance to the contractor.</li> <li>• Maintains awareness of relationships with Federal, state, and local authorities and keeps fully informed on matters dealing with compliance of Federal, state, and local regulations applicable to the site.</li> <li>• Provides advice to HQ concerning pending DOE or NNSA actions as they might affect the site or Site Office operations.</li> <li>• Manages and coordinates activities at the Site Office.</li> <li>• Serves as a delegated Contracting Officer's Representative for the assigned M&amp;O and manages the contractor operation.</li> <li>• Assures that adequate contractor self-assessment plans are in place, that planned reviews are completed in a timely manner, and that assessment follow-up activities are implemented.</li> <li>• Appoints HQ Program and Service Center COR authority as necessary and required to accomplish the site mission.</li> <li>• Provides the primary interface with the contractor on M&amp;O matters related to the site.</li> </ul>
<p>Deputy Site Managers (most DSMs are also CORs; see COR box below for additional responsibilities related to the COR role)</p>	<ul style="list-style-type: none"> <li>• Supports the Site Manager in performing responsibilities outlined above.</li> <li>• Responsible for reviews of all performance measures.</li> <li>• Provides historical information on contract performance within their specific program areas.</li> <li>• Serves as primary functional Managers in PEP and PER development.</li> <li>• Serves as Primary Negotiators for PO and PBI negotiations.</li> <li>• Designates NSO associates for annual review teams.</li> </ul>
<p>Site Contracting Officer (CO)</p>	<ul style="list-style-type: none"> <li>• Serves as the integrator of site-wide guidance and direction provided to M&amp;O contractor. Provides advice, assistance, and any needed supplemental site-specific guidance to the contractor.</li> <li>• Develops and negotiates available fee.</li> <li>• Modifies terms and conditions of M&amp;O contract.</li> <li>• Negotiates annual M&amp;O POs and PBIs and coordinates and produces the annual PER of the M&amp;O contractor for submittal to HQ.</li> <li>• CO authority for M&amp;O contract administration is defined as approval, direction, and determination where there is a possible effect to the contract terms and conditions, increase/decrease of cost, and allowability/unallowability of cost.</li> <li>• Appoints Site Office COR authority as necessary and required to accomplish</li> </ul>

	<p>the site mission.</p> <ul style="list-style-type: none"> <li>• Approves Work Authorizations for NSO upon COR or Project Manager concurrence.</li> </ul>
Contracting Officer's Representative (COR)	<ul style="list-style-type: none"> <li>• Inform the CO, in writing, of any performance failure by the Contractor.</li> <li>• Inform the CO if the Contract or any Work Authorization will not be completed according to schedule and/or estimated cost.</li> <li>• Issue written direction within the limitations set forth in the COR Appointment. A copy of all direction sent to the Contractor is provided to the CO.</li> <li>• Assist the Contractor in interpreting the requirements of the Contract.</li> <li>• Inspect and accept all deliverables within the scope of the COR Appointment.</li> <li>• Assist in the development of the annual PEP and provide evaluation input for assessing contractor performance to the CO who develops the PER.</li> <li>• Inform the CO of any potential or evidence of real or perceived organizational conflict of interest (OCI) matters or employee ethics or integrity issues.</li> </ul>
Legal Counsel	<ul style="list-style-type: none"> <li>• Serves as primary liaison on contractor legal issues.</li> <li>• Serves as COR for Contractor Litigation Management.</li> <li>• Advises the Manager and the CO on M&amp;O contract administration issues.</li> </ul>
Subject Matter Experts (SME)	<ul style="list-style-type: none"> <li>• Perform oversight and surveillance activities of Contractor operations.</li> <li>• Keep DSMs/CORs aware of Contractor performance issues.</li> <li>• Perform validation of reported Contractor achievements/savings.</li> <li>• Assist in the development of Contractor performance metrics and assess subsequent performance thereof.</li> <li>• Coordinate external assessments.</li> <li>• Interface with Regulators from other offices or agencies.</li> </ul>
NNSA Service Center	<p>Provides the following services to NSO as requested related to contract management:</p> <ul style="list-style-type: none"> <li>• M&amp;O and non-M&amp;O source selection activities</li> <li>• Non-M&amp;O contract administration</li> <li>• Contract close out</li> <li>• Foreign ownership control and influence (FOCI) determinations</li> <li>• Funding modifications</li> <li>• Purchasing system review assistance</li> <li>• Statement of costs incurred and claimed</li> <li>• Subcontract review boards</li> <li>• Real and personal property</li> <li>• Contractor human resources management</li> <li>• Finance and accounting</li> <li>• Budget and resources management</li> </ul> <p>(The above list is not all-inclusive, but rather a list of primary functions.)</p>

NSTec Team	<p>NSTec, LLC (NSTec) is a Delaware Limited Liability Company and is composed of four Member companies:</p> <ul style="list-style-type: none"> <li>• Northrop Grumman</li> <li>• AECOM</li> <li>• CH2MHILL</li> <li>• Nuclear Fuel Services (NFS).</li> </ul> <p>Senior executives of the Member companies serve on the NSTec, LLC Board of Directors (Board) and act as the interface with their respective Member organizations. This relationship allows NSTec to draw upon the diverse experience and personnel resources of the Member organizations to supplement their capabilities</p>
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## 5.0 CONTRACTING AUTHORITIES, DELEGATIONS AND LIMITATIONS

In accordance with NNSA’s Policy Letter BOP-003.0303, NNSA Contracting Authorities, (hyperlink) authority and responsibility to contract for authorized supplies and services are vested in the agency head; in NNSA’s case, the Administrator (NA-1). The Administrator has delegated Senior Procurement Executive authority to the Director, Office of Acquisition and Supply Management (OASM) (NA-63). In this capacity, the Senior Procurement Executive has the authority to designate one or more Heads of the Contracting Activity (HCA) within the Administration. The Deputy Director, OASM, has been designated as the primary HCA with approval authority on actions over \$25 million. The Director of the Service Center’s Office of Business Services (OBS) is designated as the HCA for actions up to \$25.0 million. The HCAs have the authority to issue and revoke Contracting Officer warrants. Below the level of the HCA, only warranted Contracting Officers may obligate NNSA by entering into contracts and financial assistance instruments.

The NNSA Administrator’s procurement authorities and responsibilities flow through the Senior Procurement Executive to the HCA who, by issuing a warrant, grants procurement authority and responsibility to a Contracting Officer. NNSA COs for HQ, the Service Center and the Site Offices are appointed by the HCA.

Authority to direct the NNSA contractor is based on formal appointments and delegations. Staff and oversight components of NNSA are prohibited from tasking contractors to perform any work or activity unless they have been specifically provided with this authority. Only a warranted NNSA Contracting Officer or a formally appointed COR may task a contractor to perform work.

## 5.1 Specific Authorities

The following table sets forth the specific authorities, limitations and delegations of the individuals delegated authority for the NSO Contract.

ROLES	AUTHORITIES, DELEGATIONS AND LIMITATIONS
<b>Senior Procurement Executive (SPE)</b>	<ul style="list-style-type: none"> <li>• Delegated full contracting authority by NA-1;</li> <li>• Has the authority to appoint the HCA and COs;</li> <li>• Resides in NA-63;</li> <li>• Oversees NNSA’s contracting and financial assistance system; and</li> <li>• Is a Contracting Officer solely by virtue of the position.</li> </ul>
<b>Head of Contracting Activity (HCA)</b>	<p>NNSA is a single contracting activity, however, there are two HCAs.</p> <p>++ Primary HCA resides in NA-63</p> <p>++ The other HCA resides in the Service Center’s Office of Business Services.</p> <ul style="list-style-type: none"> <li>• Is a Contracting Officer solely by virtue of the position’</li> <li>• Responsible for overall management of the NNSA contracting activity and are COs solely by virtue of the position; and</li> <li>• Appoints COs consistent with the OFPP standards applicable to all executive agencies.</li> </ul>
<b>Site Manager</b>	<ul style="list-style-type: none"> <li>• A senior NNSA manager that provides an on-site, day-to-day presence at the production facilities or national laboratories.</li> <li>• Responsible for effective contract administration to ensure the successful implementation of NNSA programs.</li> </ul> <p><b>The Site Manager’s specific duties include:</b></p> <ul style="list-style-type: none"> <li>• Responsibility for day-to-day oversight and contract management activities at the site. These duties include</li> <li>• Establishing contractual requirements;</li> <li>• Establishing operating requirements;</li> <li>• Work authorization;</li> <li>• Contactor performance assessment;</li> <li>• Acceptance of products and contractor evaluations;</li> <li>• Overall safety and security parameters within which the contractor is authorized to operate;</li> <li>• Integrating activities at the site with customers from other elements of the DOE, other Federal agencies, and the private sector.</li> <li>• Ensuring the contractor is making a good faith effort to meet small business subcontracting plan goals.</li> <li>• Recommending COR appointments.</li> </ul>



	<ul style="list-style-type: none"> <li>• Issuing the annual PER and associated fee determination in coordination with the NNSA FDO.</li> </ul>
<p><b>Contracting Officer</b></p>	<ul style="list-style-type: none"> <li>• A qualified person appointed by the HCA</li> <li>• Administers the contract based on the needs of their position and limits of the authority provided by the HCA in their appointment. The HCA issues NSO COs a certificate of appointment specifying the authorized functional areas, limits of authority, and other restrictions.</li> <li>• Makes related determinations and findings;</li> <li>• Develop and negotiate fees</li> <li>• Change contract terms and conditions</li> <li>• Determine the allowability of costs</li> <li>• Negotiate aggressive subcontracting plan goals to ensure that small businesses have the maximum practicable opportunity to participate in NNSA's procurements.</li> </ul> <p><b>The Contracting Officer's specific duties include:</b></p> <ul style="list-style-type: none"> <li>• Ensuring the requirements of FAR 1.602-1 (b) have been met, and that sufficient funds are certified available for obligation;</li> <li>• Ensuring contractors receive impartial, fair, and equitable treatment;</li> <li>• Exercising independent business judgment.</li> <li>• Elevating unresolved issues creating tension between program and business objectives through the Site Manager to the HCA for resolution.</li> <li>• Appointing qualified CORs to assure mission fulfillment and effective contract administration and management. Appointments will be made by, or concurred in, by the Site Manager.</li> <li>• Notifying the contractor in writing of the names of each COR delegated against the contract as well as specifying the authorities granted to each COR.</li> </ul>
<p><b>Contracting Officer's Representatives (COR)</b> <b>(General Information)</b></p>	<ul style="list-style-type: none"> <li>• An NNSA employee appointed by the CO or NNSA Administrator with specific responsibilities to provide an on-site, day-to-day presence at production facilities, laboratories, or the test site.</li> <li>• DOE O 541.1B, <i>Appointment of Contracting Officers and Contracting Officer Representatives</i>, establishes the procedures governing the selection, appointment, and termination of DOE COs and CORs. (Additional guidance is provided in NNSA BOP-003.0302, <i>Appointment of Contracting Officer's Representatives (COR) for NNSA Management and Operating Contracts</i>.)</li> <li>• The COR is designated by the CO to advise and assist the CO in management of the contract pursuant to Contract Clause H.1, <b>Performance Direction</b>.</li> <li>• The COR has primary responsibility for providing technical guidance/direction to the contractor and also performs contract management</li> </ul>

	<p>and performance oversight, with support from appropriate NSO management and staff.</p> <ul style="list-style-type: none"> <li>• The CORs' authority to direct the contractor is limited by the terms of their written appointment.</li> <li>• The COR is <b>NOT</b> authorized to change any of the terms and conditions of the contract.</li> <li>• CORs are subject to the Ethics in Government Act and the Procurement Integrity Act.</li> </ul>
<b>Site Office COR *</b>	<p><b>The Site Office COR's specific duties include:</b></p> <ul style="list-style-type: none"> <li>• Monitoring contractor performance and reports status to the Site Manager/Contracting Officer</li> <li>• Recommending necessary contractual changes to the Site Manager/Contracting Officer</li> <li>• Inspecting and accepting deliverables</li> <li>• Providing technical/performance direction to the contractor subject to the terms of their appointment.</li> </ul>
<b>Headquarters Programmatic COR *</b>	<ul style="list-style-type: none"> <li>• NNSA employees appointed by the CO or the NNSA Administrator to perform specific functions including federal oversight of contractor execution of detailed planning, integration, and execution of NNSA programs.</li> <li>• Specific authorities and limitations are stated in their contract specific appointment memoranda.</li> <li>• Initiate Work Authorizations</li> <li>• Provide the NSO Site Manager assistance in evaluating the contractor's performance.</li> </ul> <p>NA-60 maintains a list of current HQ CORs (<a href="#">hyperlink</a>) assigned throughout the NNSA along with the contracts to which they are appointed. This list is accessible on the intranet via the NNSA homepage</p>
<b>Other COR *</b>	<ul style="list-style-type: none"> <li>• The NNSA Field CFO is the only Service Center COR assigned to the NSO Contract</li> <li>• The CFO was appointed as a COR for all sites across the Nuclear Weapons Complex (NWC) by the NNSA Senior Procurement Executive (NA-63)</li> <li>• The CFO's authority is the same as that shown above, plus his duties carried out as allottee for the NWC.</li> </ul>
<b>Work Authorization Officials</b>	<ul style="list-style-type: none"> <li>• Authorized by HQ Program Offices to initiate and approve Work Authorizations (WAs) on behalf of the Programs;</li> <li>• Do not need COR authority to perform this function, yet some of them fill a dual role as COR. (The list of these names (<a href="#">hyperlink</a>) is also available on the NNSA Service Center Homepage.)</li> </ul>

*\* NOTE: The COR modifiers “Site Office”, “Headquarters Programmatic”, and “Other” above are used only to identify categories of responsibilities to be accomplished and the different nature of these responsibilities.*

**5.2 Other Supporting Roles**

The following table summarizes the roles and responsibilities for other individuals and groups supporting the administration of this Contract but who have **DO NOT** have the authority to act as a designated CO or COR. Because these positions do not have the authority to act as a designated CO or COR, they are **NOT** authorized to change the terms and conditions of the contract, increase or decrease contract cost, determine allowability or unallowability of costs, or provide technical/performance direction in executing their assigned responsibilities.

ROLES	AUTHORITIES, DELEGATIONS AND LIMITATIONS
<b>NSO Facility Representatives (FR)</b>	<ul style="list-style-type: none"> <li>• Assists the NSO Manager, CO, and CORs in providing oversight of operations to ensure that the facilities are operated in a safe, healthful, and environmentally acceptable manner in accordance with DOE Orders and other requirements;</li> <li>• Has "Stop Work" authority in cases of imminent environmental, safety or health hazards. Should a FR or other NSO employee "Stop Work" he or she shall be responsible to notify the CO and the appropriate COR as close to the occurrence of the event as practical. The FR shall also recommend restart based on his or her evaluation of the Contractors readiness to proceed.</li> <li>• Subject to the Ethics in Government Act and the Procurement Integrity Act.</li> </ul>
<b>Functional Experts</b>	<ul style="list-style-type: none"> <li>• The term “Functional Expert” is synonymous with a “Subject Matter Expert” (SME).</li> <li>• The Functional Experts may support the CO and COR in performance of day-to-day contract administration activities.</li> <li>• Subject to the Ethics in Government Act and the Procurement Integrity Act.</li> </ul>

**6.0 COMMUNICATION PROTOCOLS**

The following guidance is provided related to communications between NNSA and the contractor in executing the contract and interfacing with the public. Due to varying degrees of contract authority and responsibility delegated within the NSTec Contract, both formal and informal communication protocols must be adhered to by all parties to prevent the misapplication of contract effort and direction. The NSO Manager serves as an integrator and coordinator for most operational areas of responsibility on site and provides a structured and integrated approach for coordinating oral and written directions between DOE/NNSA Headquarters, the NNSA Service Center, NSO, other DOE and NNSA offices, and NSTec.

- 6.1 Public Communications:** The Contractor is responsible for developing a communication strategy for communicating with the public and must cooperate with the Department in releasing information to the public and news media regarding DOE policies, programs, and activities related to its effort under the contract. The responsibilities under Section I Clause DEAR 952.204-75, *Public Affairs*, must be accomplished through coordination with the NSO CO and NNSA public affairs personnel in accordance with established procedures. This responsibility shall be carried out in such a manner that the public has a clear understanding of the Contractor's relationship to the Government.
- 6.2 Formal Communications:** All formal direction to the contractor is issued by the CO or the COR, within designated authority. Such direction must be in writing. In the event direction is provided orally in meetings, briefings, phone, or video conferences, a written record of direction shall be created supporting the communication. Any written record of direction by a COR is to be furnished to the CO. Only the NSO CO has the authority to interpret the contract terms or make changes to the contract.

All correspondence prepared for the CO's signature or issued by the COR should contain the following language within the body of the document:

*"The action taken herein is considered to be within the scope of work of the existing contract and does not authorize the Contractor to incur any additional costs (either direct or indirect) or delay delivery to the Government. If the Contractor considers that carrying out this action will increase contract costs or delay any delivery, the Contractor shall immediately notify the Contracting Officer in accordance with Contract Clause H-1, Performance Direction."*

To ensure correspondence control, all formal correspondence is addressed to the contractor's local contract manager and cites the contract number and applicable contract provision (if applicable) in the letter's subject line.

- 6.3 Informal Communications:** Informal communications can occur between NNSA employees and contractor employees. This type of communication is non-binding for both the government and the contractor and does not constitute contract direction (i.e., formal communication). Informal communication can take the form of electronic mail, retrievable databases, telephone, facsimile, presentations, meetings, and other means. Informal communications between NNSA and contractor staff are needed

for proper oversight coordination. This communication should be constructive in nature. In their informal communications, NNSA staff need to avoid the impression the communications are formal. When the CO or COR is engaging in informal communications, care must be taken to identify those communications as non-binding.

## **7.0 PLANNING, PROGRAMMING, BUDGETING, AND EVALUATION (PPBE) (TO INCLUDE WORK AUTHORIZATIONS)**

To achieve NNSA's vision of operating an efficient and agile nuclear security enterprise recognized for world-class technical leadership and program management, NNSA has implemented a PPBE process. The key concept is that all four stages of the PPBE process are linked into a continuous cycle. Through planning, everyone understands how their individual contributions help accomplish our overall goals. Through programming and budgeting, program and project managers and teams assume responsibility for budget and performance integration; and through evaluation, progress can be assessed, feedback provided for future planning, and achievement can truly be rewarded so that people recognize the advantage in performing well.

The DOE and NNSA work requirements for the NTS are developed through strategic planning and program plans that support and align with DOE Strategic Plans and NNSA Strategic Goals and Objectives, the NNSA Future Year Nuclear Security Plan, Nuclear Weapons Stockpile Memorandum, and Planning and Production Directives. The PPBE operating philosophy is mutually supportive with the established roles and missions of NNSA whereby planning, programming and budgeting are primarily HQ functions, and execution and evaluation of the programs is the province of the field elements.

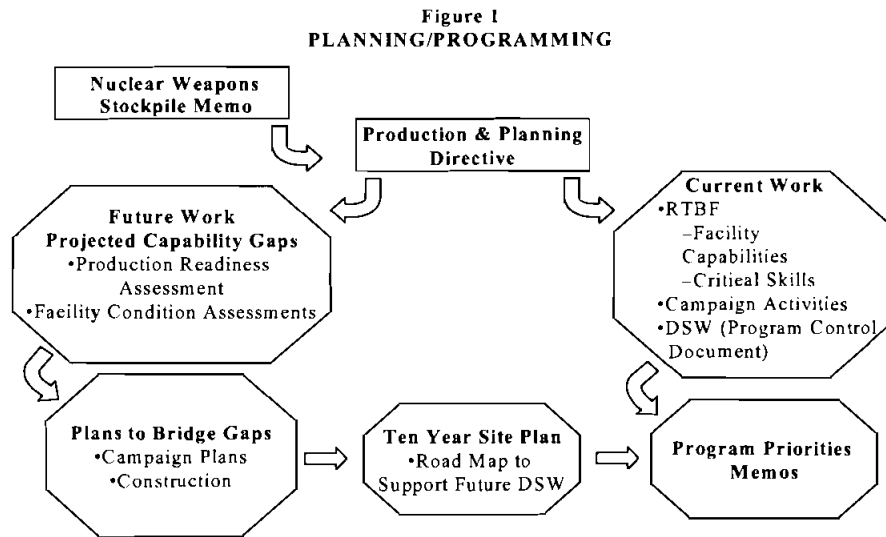
This section of the CMP addresses the four major sections of NNSA BOP-001, *NNSA's Planning, Programming, Budgeting, and Execution/Evaluation (PPBE/E) Process*. ([hyperlink](#))

### **7.1 Planning**

This step of the PPBE system is mainly a Headquarters function. In this phase the customer requirements are determined for the weapons by HQ. The requirements are then communicated to the Site Offices. The Site Office is required to provide feedback as to whether or not it can support those requirements for the long term NNSA plan. The Site Office is required to identify the requirements that are not supportable over the next 10 years.

## 7.2 Programming

During the programming phase, HQ sends guidance to the Site Offices each spring as to their requirements and budget. The Contractor develops budgets and estimates of what it will take to support the requirements with oversight from the Site Office. Priority is determined, and a list of unfunded requirements is made. The outcome of this phase is the milestones for each year. This also creates an initiative for the contractor, and encourages efficiencies, to reduce the number of unfunded requirements.



## 7.3 Budgeting

In developing the budget, NNSA provides workload parameters to the Contractor in the form of budget guidance. Based on requirements and milestones, the Contractor submits detailed budget estimates through the NSO. These estimates are reviewed by the NNSA Program Office and NSO subject matter experts for accuracy. The proposed budget is forwarded to the NNSA Program Office for a Program Budget Review. Once the NNSA Program Office is satisfied with the budget submission, it is forwarded to the Office of Management and Budget (OMB) along with the Future Years Nuclear Security Plan (FYNSP). OMB reviews the budget and provides comments to NNSA. Comments are resolved by the NNSA Program Office and the final budget is submitted to OMB, the President, and Congress, where work and funds are authorized and appropriated. Once the NNSA Program Office receives the authorized and appropriated budget, it allocates dollars to the various field offices by budget and reporting (B&R) codes throughout the FY.

## 7.4 Work Authorization

NNSA is responsible for establishing the work to be accomplished, the applicable standards and requirements to be met, and overseeing the work of the Contractor. Work Authorizations (WA) represent the final step in cascading from Strategic Plans to work performance. WA's document all work to be performed by the M&O Contractor. The NNSA Project/Program Managers develop the Statement of Work (SOW) in the WAs to reflect the work scope in the 5-Year Program Plans, Annual Operating/ Implementation Plans, and work plans (or updates thereto). The WAs provide program guidance consistent with distribution of each AFP and are approved by program managers at NNSA HQ, and concurred on/signed by the NNSA Service Center, NNSA Site Offices, non-NNSA Operations Offices, M&O Contractors and other Contractors. WAs provide a path of accountability between the long-term vision outlined in the strategic plan and the day-to-day activities of individual federal and contractor employees. WAs that crosscut multiple programs require the review and approval of multiple program managers to ensure that all programmatic interdependencies have been appropriately reflected.

As soon as possible after October 1 of each year, NNSA provides WAs and an Approved Funding Program (AFP) to the Contractor for the current Fiscal Year. NNSA approved work programs, program performance expectations and milestones, as appropriate, and budget estimates are reflected in WAs, Annual Program Letters, Activity Data Sheets, Program Baseline Summaries, and AFPs.

The guidelines for directing work to be performed by the contractor and for managing scope, cost, and schedule are set forth in Section J., Appendix C, DOE Order 412.1A, ([hyperlink](#)) *Work Authorization System (WAS)*. Only the Contracting Officer may assign, modify, and priority rank WAs.

WFO activities are **NOT** covered by WAs. Work for Others is processed in accordance with local directive NV O 481.1 Chg 1, *Work-For-Others (Non- Department of Energy Funded Work?)*, ([hyperlink](#)) and in accordance with applicable DOE Directives DOE O 481.C, *Work for Others (Non-Department of Energy Funded Work)* ([hyperlink](#)) and DOE O 484.1, *Reimbursable Work for the Department of Homeland Security*. ([hyperlink](#)) WFO activities are authorized in accordance with Section I Clause DEAR 970.5217-1, *Work for Others Program (Non-DOE Work)*. ([hyperlink](#))

## **7.5 Execution/Evaluation – Contractor Performance Evaluation Process (CPEP)**

The Contract sets forth performance incentives and Award Term provisions which are earned based on contractor performance. The amount of the performance fee to be paid is determined by the Government's judgmental evaluation of the contractor's performance in terms of the criteria stated in the annual Performance Evaluation Plan.

### **7.5.1 Performance Evaluation Planning:**

Every fiscal year, the NSO develops a Performance Evaluation Plan (PEP) as required by Contract Clause H-9, *Performance Based Management*. Performance incentives covered in the PEP are linked to DOE and NNSA Strategic Plans, NNSA Program Office Performance Priorities and Deliverables, Contract Requirements, and other key inputs that are aligned with the performance evaluation process. The purpose of the PEP is to document the process and the performance criteria by which the DOE/NNSA will appraise the Contractor's performance in its management and operation of the NTS and various satellite locations in order to make a fee determination. The NSO Manager and staff develop the PEP with involvement of NNSA Headquarter CORs and program officials. Prior lessons learned are considered.

The PEP covers one fiscal year of performance and will vary from year to year as management emphasis and NSTec's performance evolve over time. NSO utilizes performance fee consisting of incentive fee, award fee, and award-term incentive components to incentivize and reward NSTec for performance. The three types of performance measures set forth in the PEP are as following:

1. Performance Objectives (PO): Performance criteria that is primarily subjective in nature.
2. Performance Based Incentives (PBI): Performance criteria that is objective and performance-based in nature.
3. Award-Term Incentives (ATI): Performance criteria offering an opportunity to non-competitively extend the Contract's period of performance. For each year of outstanding performance (as reflected in performance criteria ratings), NSTec has the opportunity to be considered



for a one-year extension to their Contract period of performance as set forth in the contract.

The Parties will strive to reach mutual agreement on expected business, operational and technical performance and will work together to develop performance objectives, performance incentives, award term incentives and associated measures and targets tied to key deliverables and DOE/NNSA strategic goals and objectives. The NSO CO has the unilateral right to make the final decision on all performance objectives and performance incentives (including the associated measures and targets) used to evaluate Contractor performance. The NNSA Administrator reserves the unilateral right to make the final decision on all award term incentives (including the associated measures and targets) used to evaluate Contractor performance. In the event that the Government or the Contractor fails to agree on any of the PEP areas, a unilateral determination will be made by the CO.

#### **7.5.2 NSTec Contractor Assurance System (CAS)**

The NSTec assurance system is designed to integrate assurance, risk management, and quality assurance into cohesive program. NSO uses the data from NSTec's Contractor Assurance System to assess NSTec's performance. NSO also uses data from internal/external reviews and operational awareness activities to assess performance. As NSTec's CAS is refined and matured, NSO's oversight will refine and mature. Oversight is intended to be conducted from a system level perspective to the maximum extent possible. The goal is to reduce the number of independent assessments when the contractor demonstrates an effective self-assessment program that includes self-identification, taking appropriate corrective actions and successful follow-on action to prevent recurrence and improve and sustain acceptable performance. If the contractor's performance is deficient, and management processes have not produced the desired results, NSO will increase its oversight in order to protect the government's interest. A general exception to the systems level oversight approach will be for nuclear facilities and safeguards and security activities. (See Section 8.0 for details on CAS.)

#### **7.5.3 Contract Oversight/Surveillance:**

**7.5.3.1 Oversight Responsibilities:** NNSA oversight responsibilities of the contractor are to monitor, evaluate, and report on contractor performance to contract requirements. NNSA fulfills these responsibilities through the review and analysis of selected internal performance indicators and results from contractor self-assessment

activities, independent assessments, and direct observation of contractor performance through the Contractor Assurance System. Oversight of the Contractor will focus on whether the Contractor meets the performance objectives, measures and targets in the PEP and the requirements set forth in the contract. **(See Section 8.0 for detail on line oversight.)**

**7.5.3.2 Collaboration:** NSO staff and NSTec personnel collaboratively work throughout the year to monitor NSTec's performance against the current PEP and remaining contract requirements. Open communication is encouraged between the parties and stakeholders. The Contractor is responsible for the quality of its products and for assessing its operations, programs, projects and business systems and identifying deficiencies and implementing needed improvements in accordance with the terms and conditions of the Contract, regardless of whether NNSA has evaluated the Contractor's performance in any area of the Contract.

**7.5.3.3 Monthly Performance Meetings:** NSO conducts a monthly review to discuss the contractor's performance including the current status for all PBI/POs contained in the PEP. The meeting is attended by the NSO Site Office Manager and/or Deputy Site Office Manager, NSO Assistant Managers or their Deputies, NSTec Senior Management, and the Contracting Officer. It is expected that the NSO and NSTec management counterparts will have discussed the previous month's performance prior to each meeting.

**7.5.3.4 Performance Evaluation Plan Revisions:** The content of the PEP ([hyperlink](#)) can be revised through mutual agreement between NSO and NSTec using a formal change control process. If the parties cannot reach agreement on changes to the PEP, the CO may unilaterally establish changes, providing NSTec receives notice of the changes at least thirty days prior to the beginning of the performance period or at least ninety days prior to the end of the performance period as stated in contract Clauses H-9, *Performance Based Management*, and H-10, *Performance Incentives*.

## **7.6 Performance Evaluation Report (PER):**

At the conclusion of each specified evaluation period, the NSO evaluates the contractor's performance against the performance objectives, measures, and award term incentives contained in the PEP. The NSO evaluators use the results from the monthly reviews, the contractor's self-assessment, as well as inputs from HQ Program Offices to develop their

evaluation input for the PER. The PER includes a narrative assessment of the Contractor's performance against each PO and PBI included in the PEP.

Based on the Government's evaluation of the contractor's performance, the PER is prepared in accordance with the criteria set forth in the PEP. The Contractor is given an opportunity to comment on the draft PER. The final report is prepared after considering the contractor's input and comments. The NSO Manager is responsible for the ultimate content and recommendations in the PER, regardless of the Contractor's comments.

The PER is forwarded to NNSA/HQ for review and concurrence. The NSO Manager briefs the NNSA Administrator who is the Fee Determining Official (FDO). The final fee determination is made by the FDO. In making the final determination, the FDO considers NSO's recommended scores along with feedback provided by HQ Program Offices. In the process of determining award fee, the FDO has the discretion to make adjustments to the recommended award fee provided that any upward adjustments are within the total available award fee. If the FDO elects to use this discretion and the fee determination varies either upward or downward by more than 5% from the NSO's recommendation, the FDO's rationale for the change will be documented in the NNSA Contracting Officer's letter to the Contractor that transmits the final fee determination and corresponding PER.

Upon receipt of final PER approval and fee determination from NA-1, the fee determination and a copy of the final PER is forwarded to the Contractor. The contract is also administratively modified to reflect the fee determination. The process culminates with the NSO Manager's briefing to the NSTec Board of Directors on NSTec's annual performance.

#### **7.7 Fee Determination**

Final fee determinations are unilateral decisions made solely at the discretion of NNSA. The NSO CO will issue the FDO's final total performance incentive fee amount earned determination in accordance with the PEP. However, a determination must be made within sixty calendar days after the receipt by the Contracting Officer of the Contractor's self assessment, or seventy calendar days after the end of the evaluation period, whichever is later, or a longer period if the Contractor and Contracting Officer agree. The maximum fee allocated for payments to the Contractor for performance of the work under the Contract is set forth in Section B Clause B-2, *Contract Type and Value*. The award fee is

then available for payment in accordance with the Section B Clause H-10, *Performance Incentives*.

In addition to the fee earned in accordance with the PEP, the contractor earns fee against the WFO effort as set forth in NNSA's fee policy throughout the year as the work is completed.

## **8.0 LINE OVERSIGHT AND CONTRACTOR ASSURANCE SYSTEMS (LO/CAS)**

The NSO has primary responsibility for oversight and surveillance activities related to the NSO contract with NSTec. Line oversight and contractor assurance system activities confirm adequate performance, identify areas of needed improvement, and address previously identified issues. NNSA fulfills these responsibilities through the review and analysis of selected internal performance indicators and results from contractor self-assessment activities, independent (external) assessments of the contractor, and direct observation of contractor performance through the Contractor Assurance System (CAS).

Department of Energy (DOE) Policy 226.1A, *DOE Oversight Policy*, DOE Order 226.1A, *Implementation of DOE Oversight Policy*, NNSA Supplemental Directive 226.1A, ([hyperlink](#)) *NNSA Line Oversight and Contractor Assurance System Supplemental Directive*, ([hyperlink](#)) and NSO Manual 226.X-1A, *Assessment and Oversight Manual*, ([hyperlink](#)) establish requirements to ensure that contractor assurance systems and DOE oversight programs are comprehensive and integrated for key aspects of operations essential to mission success.

The following are NSO oversight program objectives:

1. Conduct independent evaluations of programs and objectives;
2. Determine if management information is reliable;
3. Verify whether internal/management control systems are adequate;
4. Ensure that applicable laws, regulations, and policies are followed;
5. Ensure that public resources are safeguarded and managed efficiently;
6. Verify that the desired program results are achieved.

The following are expectations of an effective CAS:

1. The CAS is the primary part of the management system used by the contractor (i.e. built in, not bolted on) that enables safe, secure, effective, and efficient mission accomplishment;

2. Includes at a minimum all the elements of CAS as directed by the contract;
3. Focuses on customer deliverables and strategic objectives;
4. Enables performance that is as good as or better than current performance, costs less, and requires fewer human resources;
5. Is self sufficient and facilitates transparency for federal line oversight;
6. Enables NNSA to optimize its federal oversight resources.

Consistent with these requirements and expectations, NSO has structured the approach to oversight of the contractor to balance operational awareness with formal assessments. Operational awareness is derived from day-to-day interactions with the contractor and direct observation of contractor work activities. Operational awareness activities include: (a) NSO Management, Facility Representatives, Federal Project Directors, Onsite Program Representatives and Functional Area Representatives conducting periodic walkthroughs and surveillance of contractor work; (b) NSO Management, Federal Project Directors, Onsite Program Representatives, and Functional Area Representatives participation in periodic meetings with contractor management and staff to plan and review progress on specific tasks, projects, or programs; and (c) routine review of contractor work products (deliverables) provided to satisfy contractual requirements stemming from laws, federal and state regulations, and DOE or NNSA Directives.

In addition to operational awareness, NSO with support from the NNSA Service Center, conducts formal assessments as part of a baseline oversight program. The NSO baseline oversight program is structured to ensure: (a) formal assessments, reviews, surveys, or audits required by federal regulations and DOE or NNSA Directives are performed in accordance with the periodicity specified by the governing regulation or requirement; (b) assessments are conducted in a comprehensive and systematic manner to address all relevant functional areas of contractor performance (business, quality assurance, project management, nuclear safety, safeguards and security, radiation protection, fire protection, etc.); (c) assessments are conducted to verify both compliance with contractual requirements and effective contractor performance; and (d) assessments are conducted based upon contractor performance data derived from contractor internal independent and management assessments and assessments conducted by NSO, NNSA Headquarters, DOE Headquarters or other external sources.

Annually, NSO develops a Master Assessment Schedule (MAS) ([hyperlink](#)) that coincides with the fiscal year budget cycle. The NSO MAS is a compilation of formal assessments planned for the fiscal year. These include assessments required by federal regulations and DOE or NNSA Directives; “for-cause” reviews based upon contractor performance; and formal reviews anticipated based upon contract deliverables scheduled during the fiscal year (e.g., safety basis

document reviews, readiness reviews to support facility or project startup or restart).

The MAS is structured to align NSO resource allocations consistent with NNSA and DOE policy for oversight emphasis. For those functional areas related to safeguards and security (S&S) and nuclear safety, the NSO MAS reflects numerous rigorous formal assessments that examine contractor performance both at the “systems” level and that also sample individual contractor work activities at the “transactional” level.

For other functional areas, NSO tailors the level of oversight commensurate with the complexity and extent of requirements, the inherent risk to the federal government, and the contractor’s historical performance. Where the contractor’s performance has been demonstrated to be compliant and effective (through prior NSO formal assessments) and the risk to the federal government is low, NSO increases reliance on the contractor assurance system for periodic reviews and performance monitoring. In functional areas where satisfactory contractor performance has been validated, NSO may reduce the level of formal oversight to periodic “systems” level reviews. At that point, NSO relies upon contractor assurance system results and data to determine if any increased level of oversight is warranted.

Improvements needed in functional area performance are integrated into the contractor’s PEP as PO or PBI (see Section 7.5). The NSO baseline oversight program, coupled with the contractor assurance system, provides the necessary data to gauge contractor progress in achieving the PO or PBI.

## **9.0 FEEDBACK AND IMPROVEMENT**

There are many methods of feedback between the Site Office and the Contractor such as:

- Monthly performance meetings between the NSO and Contractor senior management to discuss the Contractor’s performance related to the performance requirements set forth in the PEP.
- The Site Office Manager and Contract General Manager meet on a regular basis to discuss overall performance.
- The Deputy Site Office Manager and Contractor Chief Operating Officer meet on a regular basis to discuss overall performance.
- NSO Senior Managers meet with their Contractor counterparts on a monthly basis to discuss overall performance.
- NSO and contractor management and staff review CAS data (independent and management self assessment results, performance indicators and metrics, etc.) to determine areas warranting improvement or further review and evaluation.

- NSO assessment results are formally transmitted to contractor management for corrective action development, implementation, and verification based on the significance of the findings or issues.
- NSO technical review of contractor work products required by federal regulations and DOE or NNSA Directives. NSO formal approval is required for a number of such deliverables (safety basis documents, Radiation Protection Program plans, Quality Assurance Plans, Training Implementation Matrices, Maintenance Implementation Plans, etc.). In situations where the contractor submittal is not fully responsive to the governing requirement(s), NSO formally provides technical comments requiring resolution prior to resubmittal and approval.

## **10.0 CONTRACT CLAUSES AND DELIVERABLES**

The contract contains the terms and conditions typical for a DOE cost-plus-award-fee M&O Contract. A contract clause summary matrix is attached as Appendix 1 to this plan.

(NOTE: Appendix 1 is under development.)

The Contractor is required to prepare, submit, and/or disseminate financial, schedule, scientific and technical performance plans and reports, and other information and deliverables consistent with the needs of the various programmatic sponsors and other customers, and as required in the contract or as specifically required by the CO.

## **11.0 REFERENCES (All references will have a hyperlink)**

Federal Acquisition Regulations (FAR)

Department of Energy Acquisition Regulations (DEAR)

Contract DE-AC52-06NA25946, National Security Technologies, LLC

DOE Directives

NNSA Directives (NAP) and Business Operating Plans (BOP)

NNSA Contract Administration Guides (CSG)

NSO Directives